



*Week of 5-1-17
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Congressional Overview

Congress returned from a two-week recess last week with only a few days to prevent a looming government shutdown. The Senate and House passed a \$1 trillion-spending bill to keep the federal government funded through September. Two of the biggest obstacles to reaching this agreement were the funding for the U.S. Mexico border wall and the Affordable Care Act payments to health insurers for low-income consumers, which were resolved last week.

Meanwhile, the House GOP Leadership continued to garner enough votes to pass their revised legislation to repeal and replace the Affordable Care Act (ACA); however multiple moderate Republicans remained in opposition to such a bill. On Thursday, the House narrowly passed its ACA-replacement legislation with a 217-213 vote. The legislation is not expected to move very quickly in the Senate, as Senate Republicans have stated they will be making major changes before bringing it to the floor.

Additionally, the House passed a bill to authorize new sanctions against North Korea. The Senate continued with their nomination votes to complete President Trump's Administration, and the House will be in recess this week.

House Committee Approves Working Families Flexibility Act

The House Committee on Education and the Workforce approved the Working Families Flexibility Act of 2017, legislation that would amend the Fair Labor Standards Act to allow private-sector employers to offer workers the choice of paid time off in lieu of cash wages for overtime hours worked. The bill passed by a vote of 22-16. Per the Committee's Chairperson, Virginia Foxx (R-NC), "By providing private-sector employees the choice of paid time off for overtime hours worked, we can empower more Americans to do what's best for themselves and their families. All we are doing is giving workers an option, and it's the same option public sector workers have received for decades."

EPA Holds Lead Exposure Reduction Hearing

On May 1, FCA International attended the EPA's Office of Pollution Prevention and Toxics (OPPT) public meeting to discuss regulatory reform opportunities involving regulations governing chemical safety activities under TSCA Subchapter IV (Lead Exposure Reduction). Specifically, the EPA was soliciting public input to help identify those regulations that might be appropriate for repeal, replacement or modification per Executive Order 13777 on Enforcing the Regulatory Agenda. The EPA is soliciting comments on the following questions:

- Are there regulations that may be appropriate for repeal, replacement, or modification to reduce economic or other burdens on the regulated community, including small businesses or state and local government entities?
- Are there opportunities for the EPA to streamline or consolidate reporting and recordkeeping requirements to reduce burden?
- Are there opportunities for the EPA to improve regulatory effectiveness through adopting or encouraging innovations that reduce burden while facilitating environmental protection?
- Are there specific provisions within regulations that have achieved their original objective and are no longer necessary?

The EPA heard oral comments at the meeting, and they will accept written comments and materials submitted to the docket on or before May 15, 2017.

DOL Paid Sick Leave Rule Could Continue

President Obama's executive order mandating paid sick leave for federal contractor employees may continue. It technically went into effect three months ago. The DOL's 2016 rule implementing the executive order mandated that companies bidding on service and construction contracts must offer employees at least 56 hours of paid leave per year for a personal illness or to care for a family member. Trump administration officials discussed revising or repealing the paid sick leave order.

However, in recent weeks the regulation has taken a back seat, as employer advocates and GOP lawmakers turned their attention to repealing the controversial overtime, fiduciary and "blacklisting" rules. Per the DOL, "It's premature to discuss the rules without a labor secretary in place," and DOL's Department's Wage and Hour Division, which is responsible for enforcing the sick leave regulation, has not publicized technical assistance since the inauguration.

Interior Secretary Zinke Issues Statement in Support of Fracking

On Monday, Interior Secretary Ryan Zinke stated, "Hydraulic fracturing and deregulation can help the U.S. achieve both energy independence and energy dominance. U.S. oil output could surge by 17 percent to 10.24 million barrels per day by the end of 2018, potentially marking the first time since 1970 that domestic production has surpassed the 10 million barrels per day level."

New Device Could Reduce Fracking Costs for Drillers

Baker Hughes has developed DEEPFRAC, a device for deepwater hydraulic fracturing that could help drillers reduce costs by hundreds of millions of dollars. Unveiled at the Offshore Technology Conference in Houston, the tool aims to improve drilling efficiency thanks to the elimination or faster finalization of certain completion steps.

Natural Gas Production at Six Month High as U.S. Rig Count Continues to Soar

Per the Energy Information Administration (EIA), U.S. natural gas output climbed 2.4 percent to a six-month high of 80.17 billion cubic feet per day in February. The number of U.S. oil and natural gas rigs continued to climb by an increase of 13 rigs (to a total of 870) as of April 28.